
Today's Emergent Geo-politics and the Day After: What's Next in Energy Security?

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The problem of energy has become the most important instrument in determining the contours of the new geo-politics of rivalry, alliances and cooperation in the 21st century. Starting in the 2000s, the emergence of new independent powers with excessive demands for energy as well as the rise of new independent energy sources based in different countries, along with new technological discoveries across energy sectors, has set in motion a situation of constant change and competition between state and non-state actors in the international system. Since human demand for energy continues to rise alongside the requirements of modern life, energy security is likely to remain one of the most important matters of concern, not only for the continuity of individual states' survival but also as a complex matter for future global and regional cooperation and competition.

Many energy experts declare that the international community, at the beginning of the 2000s, is going through a revolutionary moment in the energy security landscape where four features

are apparent. Firstly, more oil and gas is entering the international market as a consequence of the distinct role technology is playing. Secondly, in contrast to developing countries, developed countries, due to their strategic preferences, energy efficiency based policies and the negative effects of past economic crises, are now demonstrating lower energy consumption. Europe's decreased hydrocarbon consumption is often given as an example in this regard. Thirdly, thanks to the North American shale revolution, the energy trade that had already shifted from West to East is demonstrating a new geo-political change in trade direction, and finally, the trend in energy consumption has moved away from fossil fuels towards renewables and nuclear plants, as the result of worldwide diversification.

Prior to a recent wave of change in mid-2014, global oil production could not keep pace with the increasing demand and hence prices naturally spiked. However, the price of Brent crude oil, which was around US \$ 115 per barrel in June 2014, dropped to US \$ 52 per barrel on the 5th of January 2015, and today the price of oil remains around US \$ 50. The oil price per barrel had been quite stable over the last five years; since 2010 it had stayed at

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around US \$ 100. This was due to many factors including the lessening demand in both Asia and Europe. It also resulted from both the degraded economic conditions as well as the improved energy efficiency measures that were observed across the Euro-Atlantic world. What was more significant was that the North shale revolution overwhelmed markets with increased oil supplies. All of these new developments, together with OPEC's unexpected November 2014 decision not to cut down oil production have given rise to the recent sharp plunge in present oil prices. Many energy experts in this regard have already given their commentaries on the reasons for the current fall in the price of oil. Both economists and energy experts are currently questioning whether this fall is stemming from the dynamics of market conditions, determined by supply and demand, or is the result of the changing conditions of geo-political outlook.

Likewise, in the field of natural gas, a revolutionary change is also taking place. Due to new exploration methods in both on-shore and off-shore drilling around the world, and with the discovery of new geographical resources, new gas suppliers are already making their entrance into the international markets. This too, therefore, is an important factor in the reduction of gas prices across various regional landscapes. It is important to remember however, that despite the current pace of achievement in the field of renewables, in certain geographical areas, the world community still depends heavily on the consumption of large amounts of fossil fuel.

The current drop in oil prices has also intensified anxiety among those who are concerned about climate change. The present worry is a situation where countries in need of cheap energy resources due to low oil prices may perhaps, by using excessive oil, reverse the trend from the global use of energy from renewables towards more use of fossil fuels, resulting in higher carbon gas emissions at a time when the world community is working to overcome this intricate problem. Additionally, as a result of the latest Ukrainian crisis a new anxiety has come into fore, both for European consumers' and governments, about the future of European energy supply security. This situation has naturally led to new requirements to make sound and realistic assessments about the newly developing contours of European energy.

Due to all these recent radical changes, the energy issue has gained substantial attention in the IR community and it is believed that some of the options are insufficient to meet the energy security of individual states. A new assessment is therefore required to reformulate the energy strategy for each and every individual country to establish how best to cope with its energy requirements in a shifting geopolitical environment and by taking into account the impact of recent developments. Firstly, the North American shale revolution has made the US self-reliant in the hydro-carbon sector and therefore has led to more oil in the global market as Washington has since 2008 been importing less oil but exporting new volumes of unconventional

oil. Secondly, the demand for oil in places like Europe and Asia, particularly China, is now tapering off due to weakening economies and the introduction of efficiency measures. Moreover, the OPEC members' November 2014 decision to not cut back oil production, due to pressure on countries like Venezuela and Iran from Saudi Arabia, is contributing to the decline in recent oil prices.

As a result, the current covert war over oil prices between the US and Saudi Arabia and others is creating the net positive effect that is already being felt by oil consumers. On the other hand, most oil producing countries operating at even-break points above 50\$ have already found themselves situated on the losing side of this new low oil price story. This has especially impacted on countries like Iran and Russia, whose sole revenues come directly from exports of oil. Therefore, countries on both sides of the international oil business are wondering how long this condition will last and how it will affect future relations among the states, whether in the form of cooperation, rivalry or alliances. This special issue of *Perceptions on Today's Emergent Geo-politics and the Day After: What's Next in Energy Security?* aims to bring clarification to the crucial questions that are related to the changing contours of the emerging energy security through the valuable contributions of eminent energy scholars and experts.

In his article "Global Energy Outlook: Opportunities and Challenges," Gawdat Bahgat lays out the present conditions of the global energy outlook in light of

the IEA's newly released 2014 Energy Outlook. Bahgat in this paper highlights the main opportunities and challenges that lay ahead for the global energy system. In his evaluation, Bahgat focuses on energy security, both from consumers' and producers' perspectives, the recent fall in oil prices, and the economic, environmental and strategic implications.

Nurşin Ateşoğlu Güney in her article entitled "Where Does the EU Stand in Energy Dependence on Russia after the Ukrainian Crisis: Are any Alternatives at Hand?" attempts to clarify the question of whether the EU, under the impact of the latest Ukrainian crisis, can find and exploit alternative resources and thereby transcend its longstanding energy dependence on Russia. Güney argues that this question has gained significantly more importance following the EU's 2014 Energy Security Strategy, in which it identified which objectives member states should be following in the short and medium to long term, up until 2030.

Nurşin Ateşoğlu Güney and Vişne Korkmaz in their article entitled "An Energy Interdependence Model between Russia and the Europe: An Evaluation of Expectations for Change" attempt to answer the question of what kind of changes have occurred in the interdependence model and energy dialogue regime between Russia and Europe, which has been in existence since the Cold War years. The authors, after examining the main contours of this peculiar relationship that was developed between Moscow and Brussels after the

Second World War, move on to analyse the Post-Cold era by pointing out the major turning points in this new era of interdependence from 2006 to 2014. The authors' aim is to make a prediction about how this interdependence relationship will progress.

Valeriy A. Kryukov in his article entitled "Mix of Russian Liquid Hydrocarbons: Reasons/Sources for Change and Future Prospects" conducts an in depth analysis of the current situation with Russian liquid hydrocarbons and lays out Russia's current and future challenges in the area of oil-gas production. Kryukov, noting the importance of Moscow's huge capacity for resource potential in hydro-carbons, writes about the need for diversification of routes and sources and the need for investment in new technologies, as well as the building up of new institutions for upgrading Moscow's decreasing traditional production from well-known resources. The article ends however, by emphasizing the reality on the ground, that until Russia fulfills these requirements, their exports of oil-gas will continue to flow into the European market for the foreseeable future, since all existing infrastructure is focused in that direction.

Rossella Bardazzi and Maria Grazia Paziienza, in their article entitled "Energy Mix and Energy Taxation: A Comparison between the EU, Italy and Turkey", after outlining Italy and Turkey's need to

secure their energy supply requirements that is present under the current energy outlook, go on to emphasize the present similarities and differences between the two countries. Moreover, in this paper they also give priority to the issue of taxation and consider how it is being dealt with by each of these two countries.

Mukhtar Hajizada in his article "Patterns of Regional Collaboration and Institutional Cooperation around the Black Sea" uses the European example of regionalization as the guide for his discussion and shows how and under which conditions this region's states in the post-Cold War era have come together under Black Sea Economic Cooperation (BSEC) and developed plans for cooperation for the future under the Wider Black Sea region's (WBSA) changing geo-political conditions. Under this plan of action, Hajizada's paper analyzes the complex patterns of regionalization that have been witnessed around the Black Sea region. He, in this regard, tries to lay down the limits of cooperation that have been observed among the members of BSEC along the well-known patterns of regionalization from the 1990s until the present day. Most importantly, he describes the present energy cooperation between Turkey, Azerbaijan and Georgia as an outstanding example of a loose form of regionalization rather than an inclusive and comprehensive one that one would expect to see within the whole WBSA region.